



DELAWARE'S SEU EXPERIENCE

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Delaware's SEU Cited as a National Model

Center for American Progress Action Fund



Testimony of John D. Podesta before
Vice President Biden's Middle Class Task Force

Philadelphia February 27, 2009

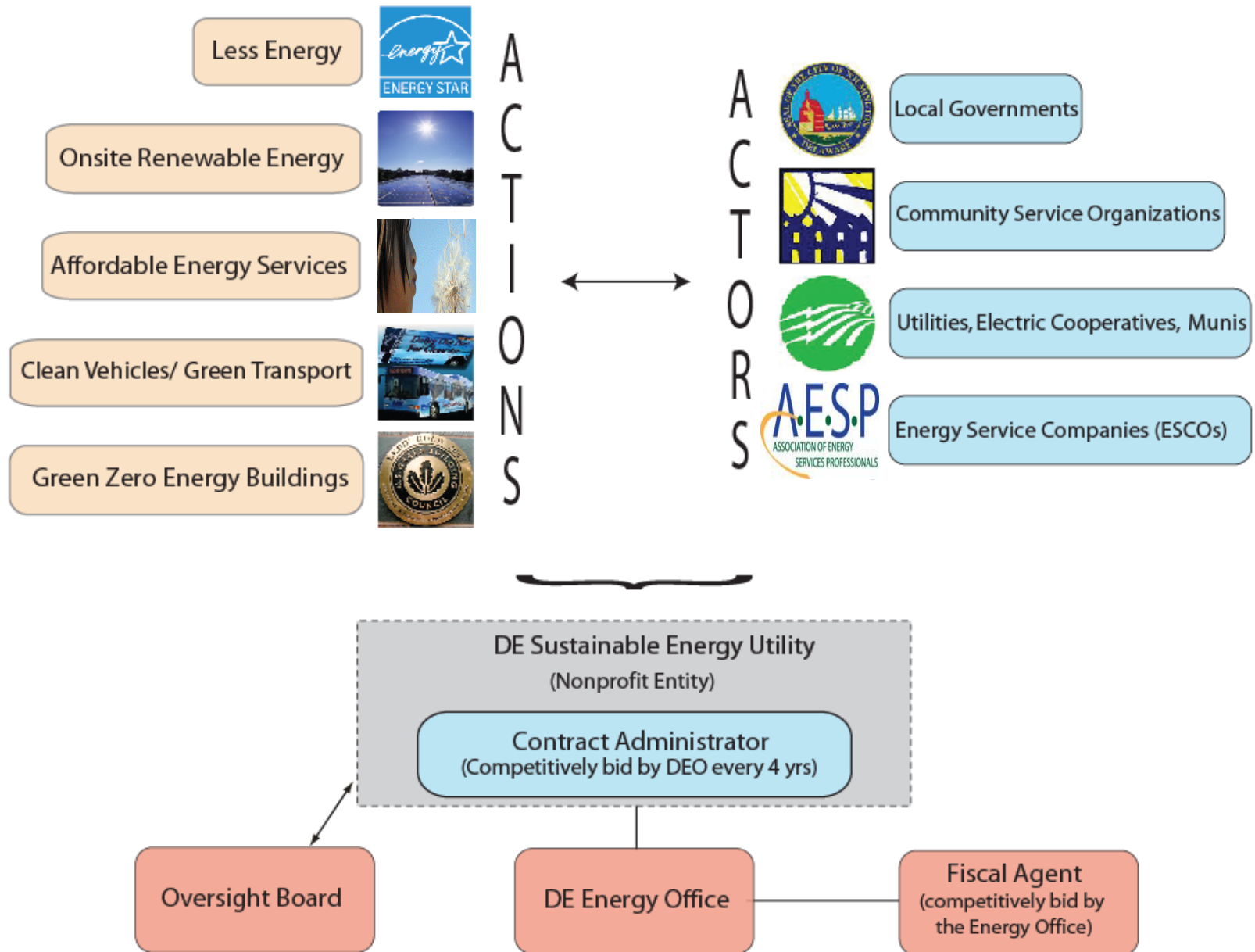
What can we do today

In Delaware, a “Sustainable Energy Utility” can meet energy needs, not by building new power plants but by weatherizing homes or creating a market not only for retrofits, but for the verifiable energy savings they produce.



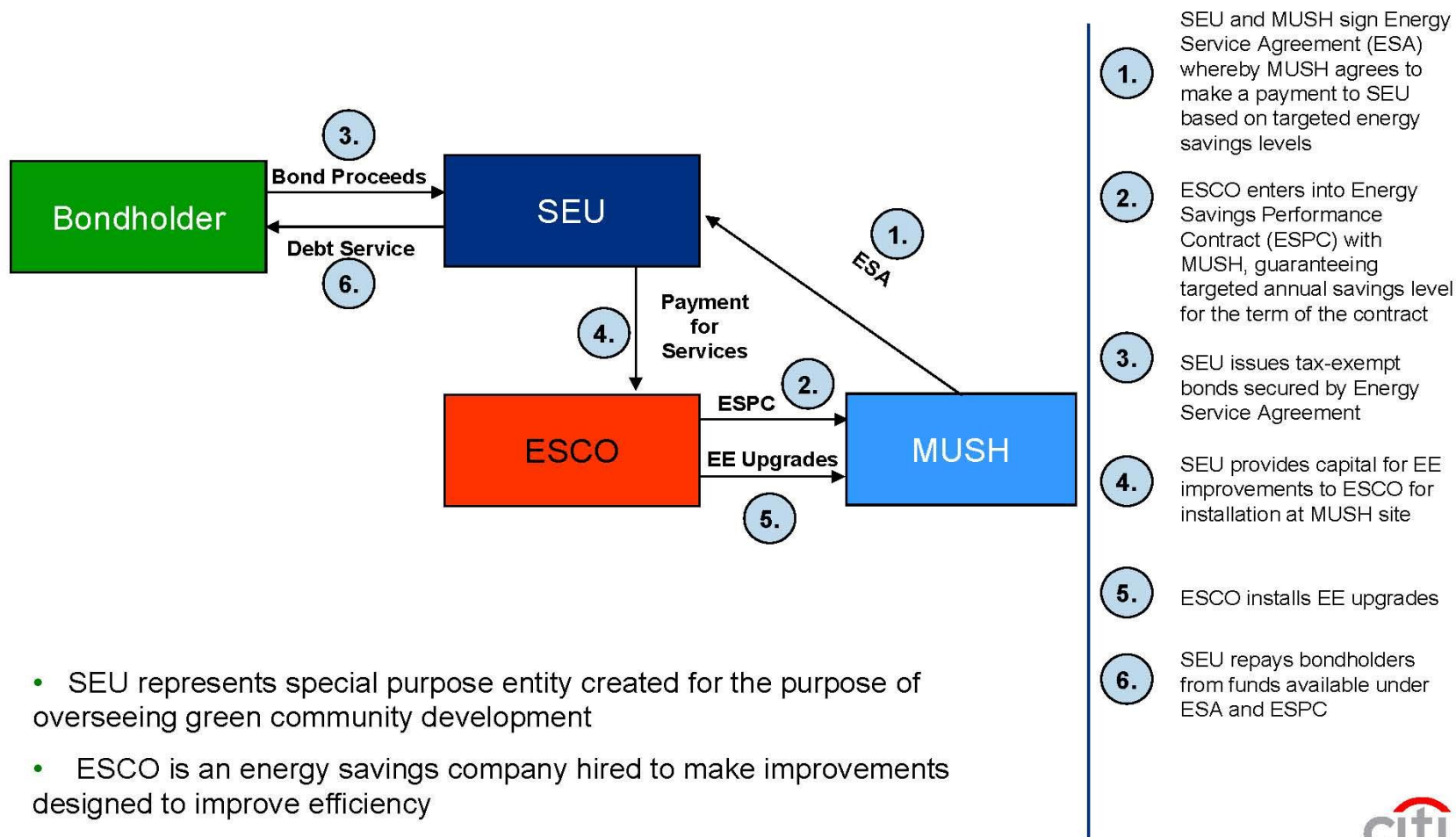
Center for Energy and Environmental Policy

THE SUSTAINABLE ENERGY SPACE



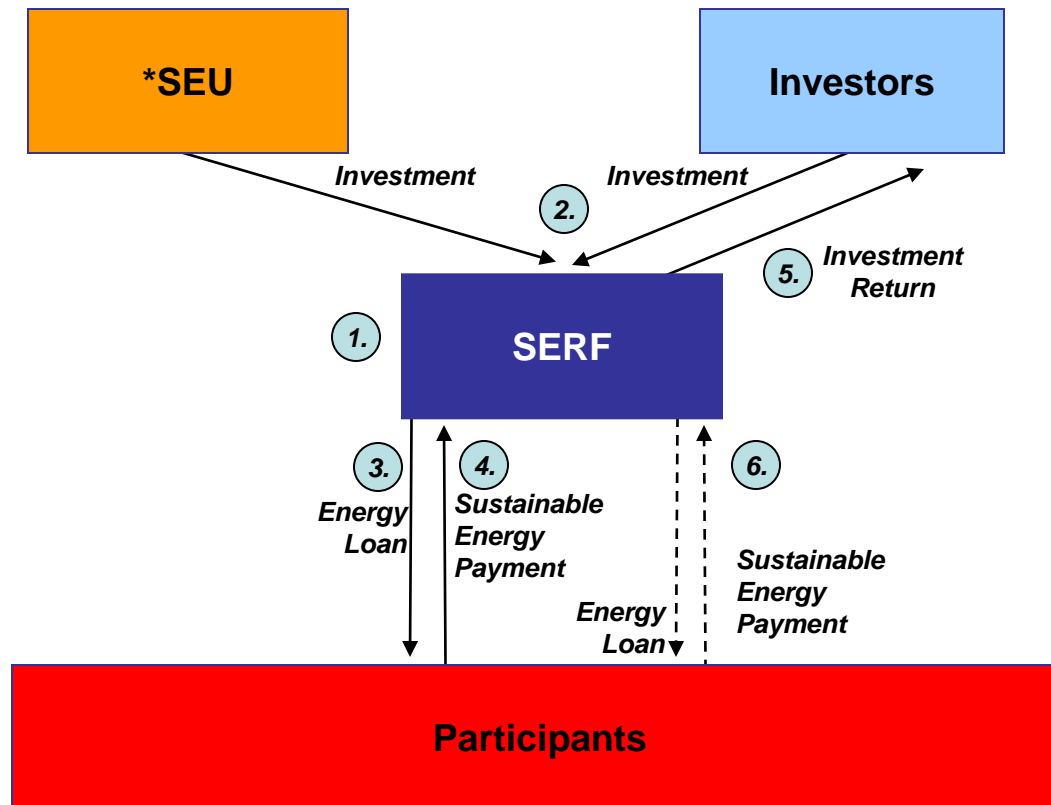
Energy Efficiency Revenue Bonds (EERBs)

EERB debt service is secured by Energy Service Agreements



Sustainable Energy Revolving Fund (“SERF”)

SEU can attract private capital to provide low interest funding through a revolving loan fund structure

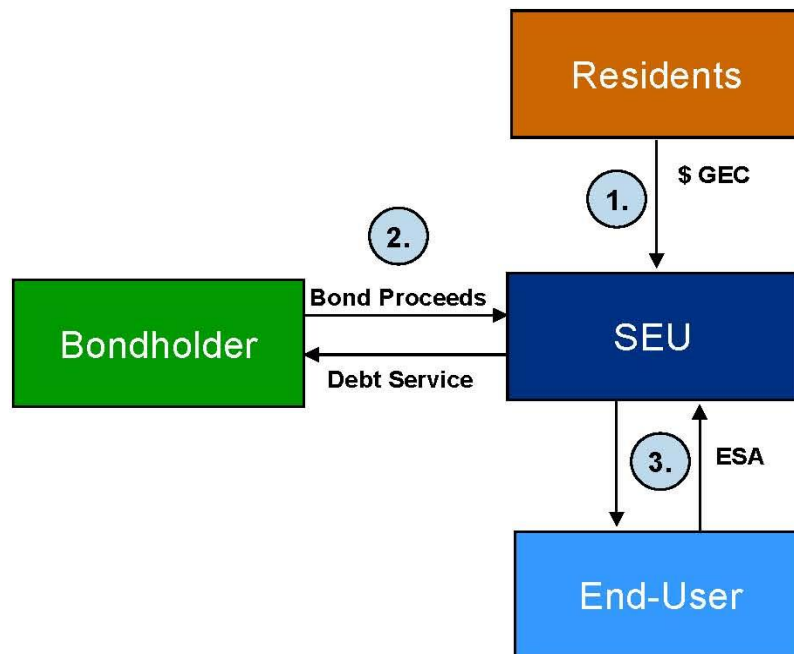


1. SEU establishes the Sustainable Energy Revolving Fund to provide low interest energy loans to qualified participants
2. SEU & Investors provide initial capital investment for SERF disbursements
3. SEU via SERF provides low interest loans to qualified participants for qualified projects
4. Participants agree to make monthly sustainable energy payments to the SERF
5. SERF pays investor annual disbursement based on terms of Investment Agreement
6. With new capital and/or remaining sustainable energy payments, SEU via SERF provides low interest energy loans to qualified participants for qualified projects

* SEU can “raise equity” from a variety of sources, including EECBG, State Energy Program funds, system benefit charge, RGGI proceeds and Qualified Energy Conservation Bonds

Securitized Green Bonds (SGBs)

Green Energy Charge (GEC) provides security for SGBs and allows for non-MUSH energy projects



1. SEU and Municipality establish a Green Energy Charge (GEC) which is applied to all energy users
2. SEU issues tax-exempt bonds for purpose of providing energy demand reduction grants
3. SEU enters into Energy Service Agreement with end-user for energy projects

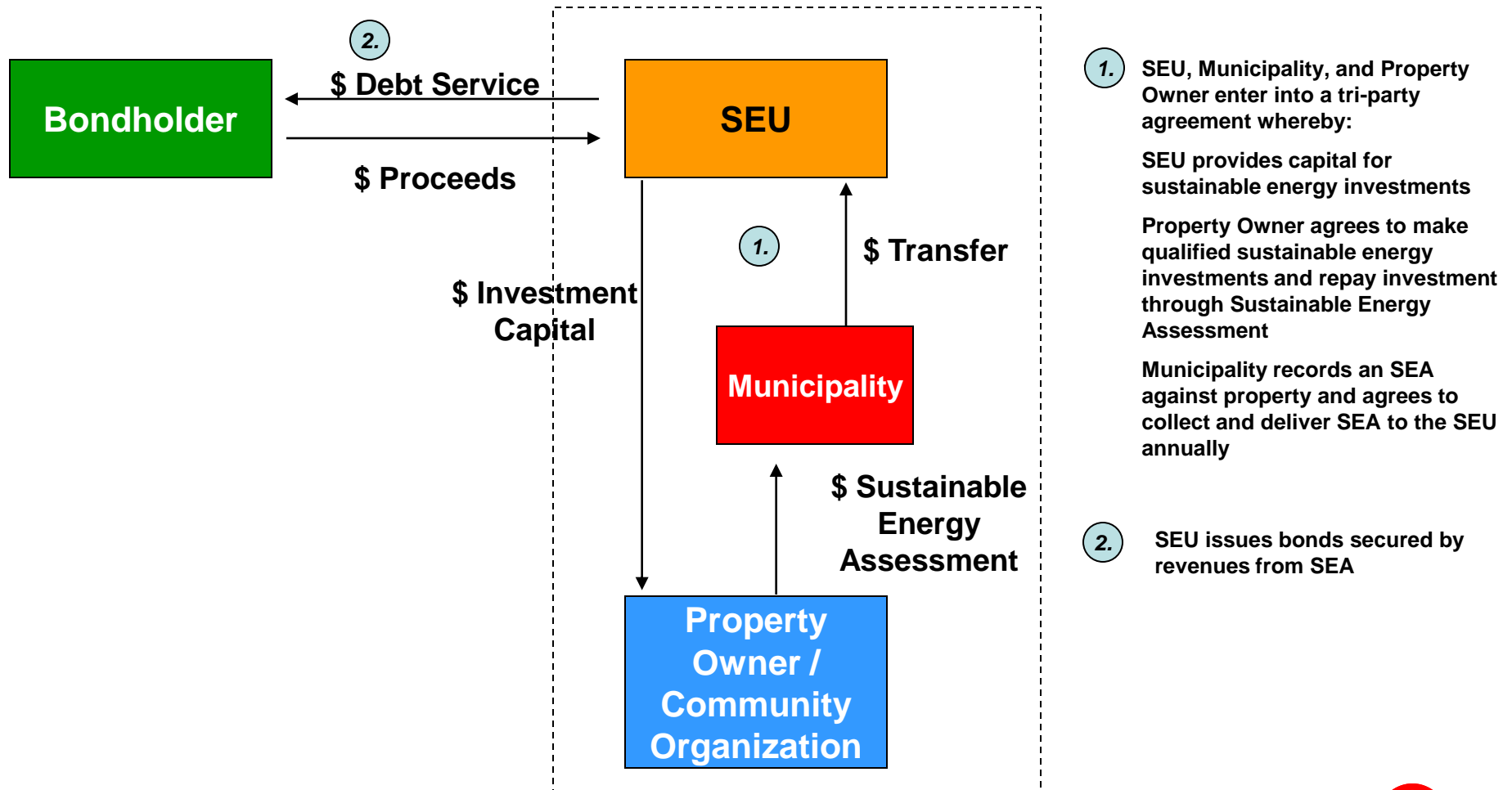
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Optional

In connection with the ESA, End-User may enter into Energy Services Performance Contract with an approved ESCO

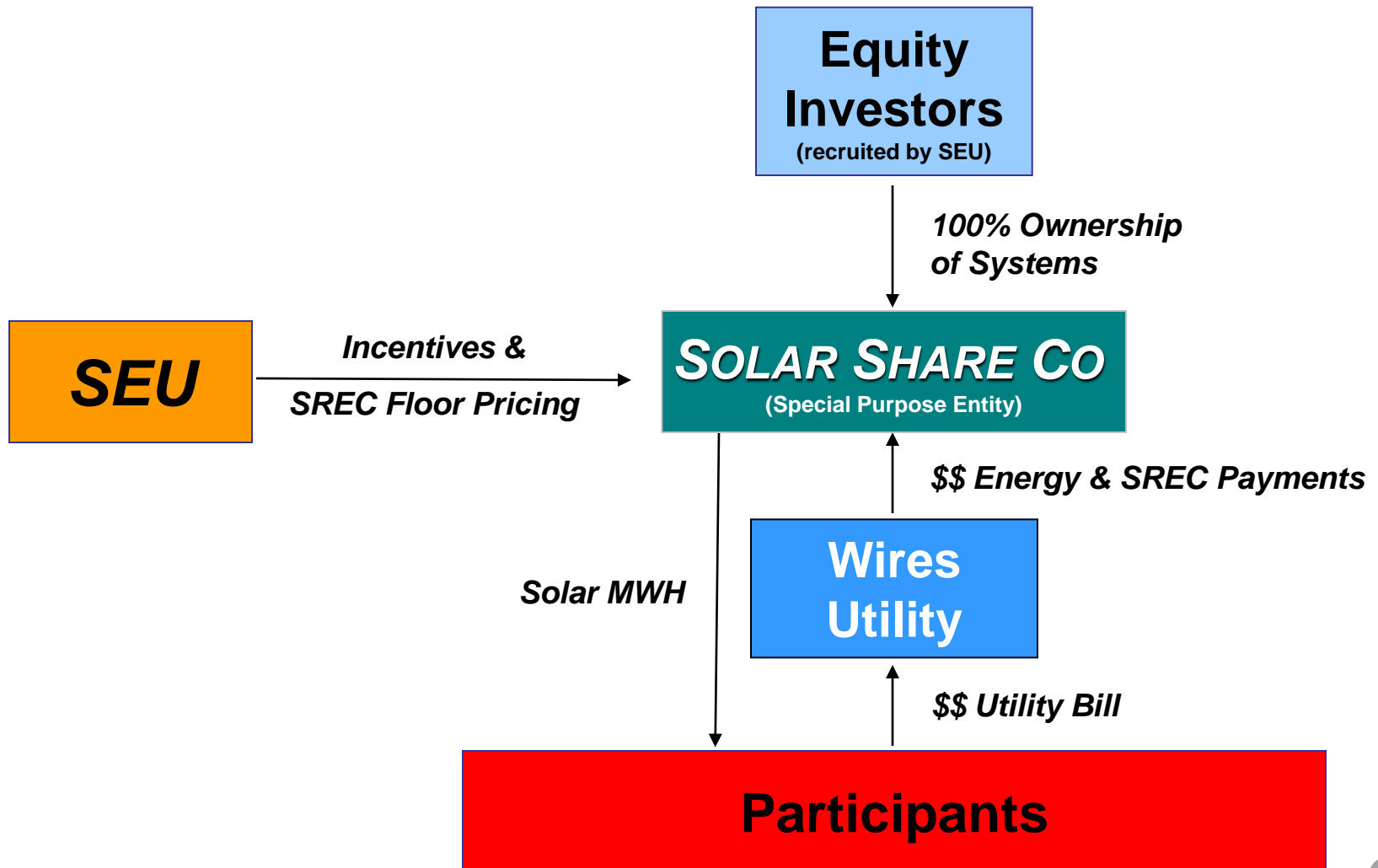
Sustainable Energy Assessment Bonds (“SEABs”)

SEABs provide a strong mechanism for prepayment of sustainable energy investments

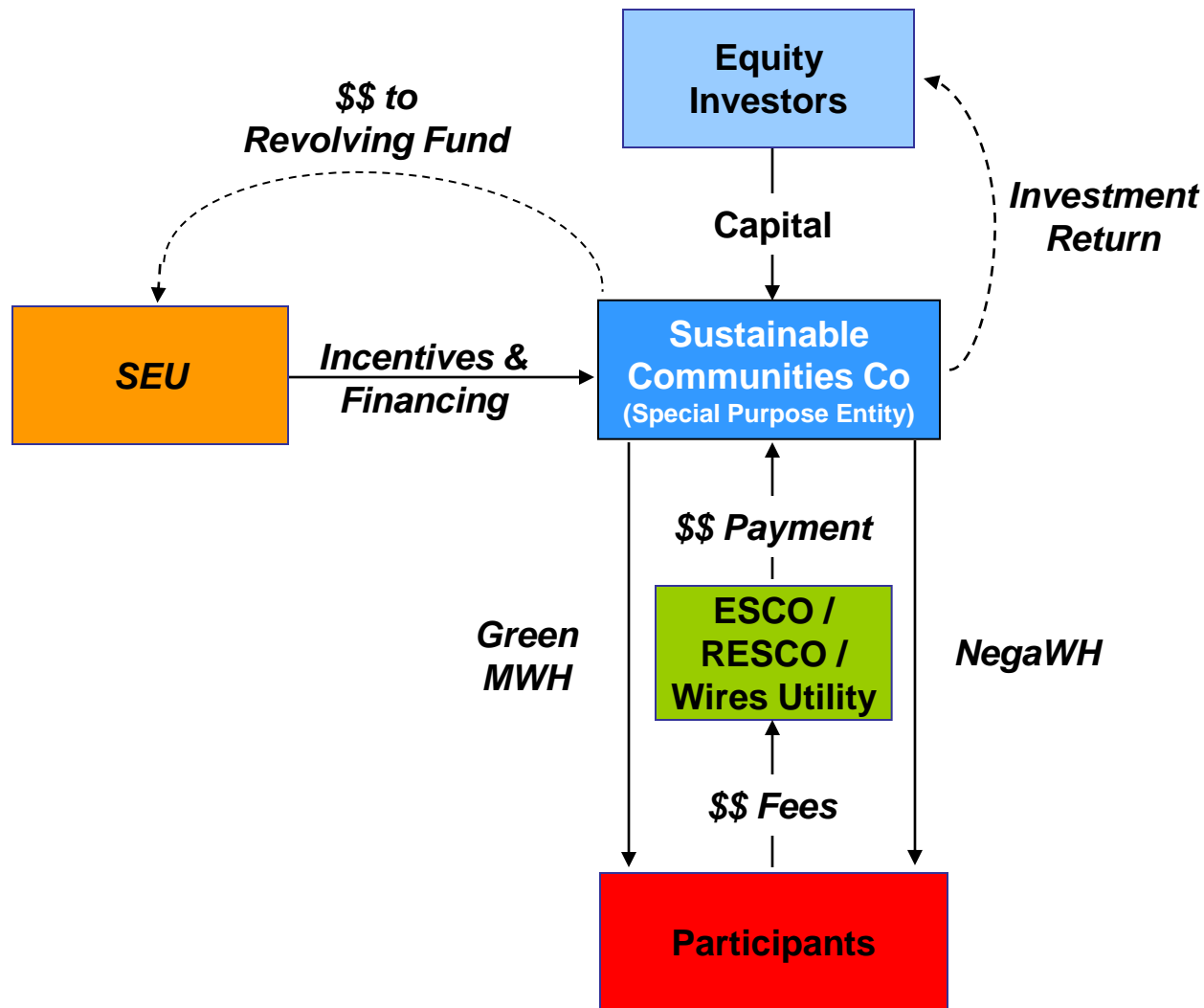


SEU *Solar Share* Program

By creating a Solar Share program, the SEU can efficiently maximize federal tax benefits, providing participants with lower cost renewable power on a platform that can include distributed & central location formats



Sustainable Communities Program





<http://www.seu-de.org/>

<http://www.energizedelaware.org/>